

Bryan ISD - Legislative and Budget Update 2019-2020

JUNE 17, 2019

Agenda

- Legislative Update
- Property Taxes and Values
- Enrollment Projections
- Estimated Revenue
- Projected Expenditures and Revenue

Legislative Update - HB 3 School Funding & Senate Bill 2 Tax Reform

(Source: TASBO)

HB 3 and SB 2 were signed into law by Governor Greg Abbott on June 12, 2019. These bills made extensive changes to school funding and property taxes. Some of the bigger changes include:

- Basic allotment increase from \$5,140 to \$6,160
- Eliminates high school, gifted and talented and staff salary allotments
- Repeals the Cost of Education Index
- Replaces Comp Ed weights with new census block weighting
- Changes transportation allotment from linear density model to straight mileage reimbursement

Legislative Update - HB 3 School Funding & Senate Bill 2 Tax Reform

(Source: TASBO)

- Career and Technical funding extended to 7th grade
- Adds allotments for dual language, dyslexia, fast growth, drop out recovery, early education, teacher incentive & mentor program
- Sets mandatory compensation increases to full time, non-administrative staff if the basic allotment increases
- Compresses tax rates and reduces property taxes
- Changes from using prior year to current year property values in funding calculations

New Rollback Rates

(Source: TASBO)

- New calculation of “Voter Approved” Tax Rate (formerly known as Roll-Back Rate)
 - For FY 2020 (tax year 2019)
 - The state compression percentage (\$.093) plus the district’s 2018 tax rate minus \$1.00
 - For FY 2021 (tax year 2020)
 - One golden penny with unanimous consent of Board
 - The lesser of the state compression percentage or the variable district compressed rate

Impact of Compression on Bryan ISD Tax Rate

(Source: TASBO)

	2018-2019	2019-2020
Compressed Rate	\$1.00	\$0.93
Golden Pennies	\$0.06	\$0.06
Copper Pennies	\$0.00	\$0.00
M&O Tax Rate	\$1.06	\$0.99

Foundation School Program M&O Funding

(Source: TASBO)

	State Aid (All Funds)	Local M&O Property Taxes	Recapture	Total Available for Schools
FY 20 Old Law	\$20.31	\$28.87	(\$3.57)	\$45.61
FY 20 New Law	\$24.13	\$26.67	(\$1.99)	\$48.81
<u>Difference</u>	\$3.82	(\$2.20)	\$1.58	\$3.20
FY 21 Old Law	\$20.56	\$30.03	(\$4.13)	\$46.46
FY 21 New Law	\$24.58	\$27.37	(\$2.21)	\$49.74
<u>Difference</u>	\$4.02	(\$2.66)	\$1.92	\$3.28

The state cost of HB 3 was just over \$11.3 billion for the biennium. Once property tax relief is netted out, increases for schools are just over \$3 billion per year.

Preliminary Property Values

	07/2018 Certified	Preliminary 2019 M&O	Preliminary 2019 I&S
Assessed	\$ 10,235,732,991	\$ 11,057,004,232	\$ 11,057,004,232
Exemptions	(\$ 1,839,993,961)	(\$ 1,888,857,211)	(\$ 1,684,170,654)
Net Taxable	\$ 8,395,739,030	\$ 9,168,147,021	\$ 9,372,833,578
% Increase		9.2%	8.9%

The above includes both Brazos & Robertson County values.

The difference between net taxable for M&O and Debt Service is the 313 Agreement Limitation.

Preliminary values include a loss estimate for the appeals process.

ADA and WADA Projections

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 Proj Year End	2019-20 Projected
ADA	14,569	14,803	15,097	15,150	15,087	14,811	15,011
% Incr ADA	1.06%	1.61%	1.99%	0.35%	-0.42%	-1.83%	1.35%
WADA	19,322	19,740	20,227	20,441	20,536	20,360	20,497
% Incr WADA	3.33%	2.16%	2.47%	1.06%	0.46%	-0.86%	0.67%

For 2019-2020 Pre-K, enrollment is estimated at ½ day for use in ADA calculations with the remaining Pre-K funding coming from a new Early Education Allotment.

ADA = Average Daily Attendance WADA = Weighted Average Daily Attendance

Estimated Revenue

	2018-2019	2019-2020 Under HB 3	Difference
Property Taxes	\$ 82,618,000	\$ 85,067,000	\$ 2,449,000
State Revenue	\$ 47,357,000	\$ 54,273,000	\$ 6,916,000
Estimated Total	\$ 129,975,000	\$ 139,340,000	\$ 9,365,000

Projected Expenditures and Revenue for Year Ending August 31, 2020

Budgeted Expenditures - 2018-19 (Amendment 1)

Plus:

Blinn MOU Increase

SRO Contract Increase

ESS Substitute Program

CTEC Add'l Positions (Teachers, Nurse/Recep, Custodian)

PreK Add'l Positions (To Be Determined by Demand/Availability)

Dual Lang & GT Add'l Positions

Campus Monitors, LVN's & RN's

Comm. Outreach Officer-(Parent Involvement Funded-partially)

Stipends

Accelerated Reader Program

Subtotal of Additional Expenditures

Preliminary General Fund Expenses

Revenue Scenario I - 9% PV growth, Bryan ISD Census Block #'s,

Revenue Scenario II - 9% PV growth, SCE #'s,

Revenue Scenario III - 10% PV growth, TEA Census Block #'s

Revenue less Expenditures – Before Raises

	SCENARIO I	SCENARIO II	SCENARIO III
	\$(142,877,733)	\$(142,877,733)	\$(142,877,733)
Blinn MOU Increase	\$ (55,000)	\$ (55,000)	\$ (55,000)
SRO Contract Increase	\$ (113,695)	\$ (113,695)	\$ (113,695)
ESS Substitute Program	\$ (100,000)	\$ (100,000)	\$ (100,000)
CTEC Add'l Positions (Teachers, Nurse/Recep, Custodian)	\$ (354,360)	\$ (354,360)	\$ (354,360)
PreK Add'l Positions (To Be Determined by Demand/Availability)	\$ (1,857,600)	\$ (1,857,600)	\$ (1,857,600)
Dual Lang & GT Add'l Positions	\$ (167,460)	\$ (167,460)	\$ (167,460)
Campus Monitors, LVN's & RN's	\$ (270,000)	\$ (270,000)	\$ (270,000)
Comm. Outreach Officer-(Parent Involvement Funded-partially)	\$ (49,000)	\$ (49,000)	\$ (49,000)
Stipends	\$ (50,000)	\$ (50,000)	\$ (50,000)
Accelerated Reader Program	\$ (90,000)	\$ (90,000)	\$ (90,000)
Subtotal of Additional Expenditures	\$(3,107,115)	\$(3,107,115)	\$(3,107,115)
Preliminary General Fund Expenses	\$(145,984,848)	\$(145,984,848)	\$(145,984,848)
Revenue Scenario I - 9% PV growth, Bryan ISD Census Block #'s,	\$151,376,077		
Revenue Scenario II - 9% PV growth, SCE #'s,		\$150,044,280	
Revenue Scenario III - 10% PV growth, TEA Census Block #'s			\$153,657,857
Revenue less Expenditures – Before Raises	\$5,391,229	\$4,059,432	\$7,673,009

Questions

Salary Recommendations

Agenda

- Mandatory Compensation Adjustment
- Compensation Recommendations

Mandatory Compensation Adjustment

(Credit: Omar Garcia, BOK Financial, and TASBO)

Year	FSP Estimates	ADA	Change
2019-2020 Allotment	\$142.9M	15,011	\$9,523
2018-2019 Allotment	\$130.0M	14,811	\$8,776
Gain in FSP per ADA			\$748
2019-2020 ADA	Gain in FSP/ADA	Calculated Amount for Compensation Adjustment	
15,011	\$748	=	\$11.2M
Non Administrator Compensation 30% of Revenue Gain (Compensation can include benefits, such as health insurance)			
75% for teachers, counselors, nurses, and librarians. Differentiation for +5 years experience		25% for all fulltime employees except administrators	
30% of \$11.2M = \$ 3.36M 75% of \$3.36M = \$2.52M		30% of \$11.2M = \$ 3.36M 25% of \$3.36M = \$840K	

Compensation Recommendations

- Teachers will receive an increase ranging from \$2,025 (first year) up to \$9,000 (most veteran)
- Auxiliary (custodial, nutrition, transportation bus aides and drivers) will receive 10% of midpoint and increase the starting hourly rate of bus drivers to \$18.00 per hour
- Paraprofessional staff (excluding Sped IA's) receive 6% of midpoint
- Separate hire-in schedule for Sped IA's which reflects up to as much as a \$3,000 annual increase
- Administrators and professionals receive 3% of midpoint
- **Focuses on retention of veteran staff and attraction of new employees**

BRYAN INDEPENDENT SCHOOL DISTRICT

PROPOSED 2019-20 SALARY SCHEDULE

Bryan Independent School District Teacher Hire In Schedule 2018-2019		Increase From 2018-19 To 2019-20 Schedule	Bryan Independent School District Teacher Salary Schedule 2019-20	
Step	2018-2019		Step	2019-2020
0	\$ 43,500	\$ 1,500	0	\$ 45,000
1	\$ 43,700	\$ 1,825	1	\$ 45,525
2	\$ 44,000	\$ 2,050	2	\$ 46,050
3	\$ 44,300	\$ 2,275	3	\$ 46,575
4	\$ 44,800	\$ 2,300	4	\$ 47,100
5	\$ 45,050	\$ 2,600	5	\$ 47,650
6	\$ 45,300	\$ 2,900	6	\$ 48,200
7	\$ 45,550	\$ 3,200	7	\$ 48,750
8	\$ 45,800	\$ 3,500	8	\$ 49,300
9	\$ 46,050	\$ 3,800	9	\$ 49,850
10	\$ 46,500	\$ 3,900	10	\$ 50,400
11	\$ 47,400	\$ 3,600	11	\$ 51,000
12	\$ 48,210	\$ 3,390	12	\$ 51,600
13	\$ 48,700	\$ 3,500	13	\$ 52,200
14	\$ 49,200	\$ 3,600	14	\$ 52,800
15	\$ 49,450	\$ 4,000	15	\$ 53,450
16	\$ 49,770	\$ 4,330	16	\$ 54,100
17	\$ 50,000	\$ 4,750	17	\$ 54,750
18	\$ 50,715	\$ 4,685	18	\$ 55,400
19	\$ 51,250	\$ 4,800	19	\$ 56,050
20	\$ 52,000	\$ 4,750	20	\$ 56,750
21	\$ 52,950	\$ 4,500	21	\$ 57,450
22	\$ 53,450	\$ 4,700	22	\$ 58,150
23	\$ 53,950	\$ 4,900	23	\$ 58,850
24	\$ 54,450	\$ 5,100	24	\$ 59,550
25	\$ 54,950	\$ 5,350	25	\$ 60,300
26	\$ 55,460	\$ 5,590	26	\$ 61,050
27	\$ 55,975	\$ 5,825	27	\$ 61,800
28	\$ 56,500	\$ 6,050	28	\$ 62,550
29	\$ 57,000	\$ 6,300	29	\$ 63,300
30	\$ 57,500	\$ 6,600	30	\$ 64,100
31	\$ 58,000	\$ 6,900	31	\$ 64,900
32	\$ 58,500	\$ 7,200	32	\$ 65,700
33	\$ 59,000	\$ 7,500	33	\$ 66,500
34	\$ 59,500	\$ 7,800	34	\$ 67,300
35	\$ 60,000	\$ 8,100	35	\$ 68,100
36	\$ 60,500	\$ 8,400	36	\$ 68,900
37	\$ 61,000	\$ 8,700	37	\$ 69,700
38	\$ 61,500	\$ 9,000	38	\$ 70,500
39	\$ 62,000	\$ 9,000	39	\$ 71,000
40	\$ 62,500	\$ 9,000	40	\$ 71,500

Compensation Recommendations

BISD 2019-20 COMPENSATION INCREASE ESTIMATES			
Employee Group	3.0%	6.0%	10.0%
Administrative and Professional	\$ 507,000	\$ 1,014,000	\$ 1,690,000
Auxiliary - non admin	\$ 75,100	\$ 150,200	\$ 250,333
Food Service - non admin	\$ 70,900	\$ 141,800	\$ 236,333
Custodial - non admin	\$ 71,100	\$ 142,200	\$ 237,000
Paraprofessionals (non SPED IA's)	\$ 208,300	\$ 416,600	\$ 694,333
	\$ 932,400	\$ 1,864,800	\$ 3,108,000

COMPENSATION INCREASE RECOMMENDATION FOR 2019-20

For Administrative, Professional, Paraprofessional and Auxiliary	\$ 1,647,267
For Transportation (\$18 starting/10% increase to Drivers and Aides)	\$ 266,333
For Special Education Instructional Aides	\$ 488,000
Plus: TRS, Medicare, etc	\$ 192,128
	\$ 2,593,728

	SCENARIO I	SCENARIO II	SCENARIO III
	\$151,376,077		
		\$150,044,280	
			\$153,657,857
Revenue less Expenditures – Before Raises	\$5,391,229	\$4,059,432	\$7,673,009
Estimated Raises			
Est Required Comp Increase HB3 (Teachers, Couns, Nurses etc)	\$(2,520,000)	\$(2,520,000)	\$(2,520,000)
Additional Teacher Pay (starting salary \$45,000)	\$(1,782,332)	\$(1,782,332)	\$(1,782,332)
Est Required Comp Increase HB3 (Other Non Admin)			
(Aux/Food Serv/Cust/Paras/Trans)	\$(840,000)	\$(840,000)	\$(840,000)
Additional Auxiliary and non admin increases	\$(758,728)	\$(758,728)	\$(758,728)
Proposed Raises - Admin & Professional	\$(507,000)	\$(507,000)	\$(507,000)
Proposed Raises - Sped Aides	\$(488,000)	\$(488,000)	\$(488,000)
Total Estimated Raises	\$(6,896,059)	\$(6,896,059)	\$(6,896,059)
Remaining Budget/(Deficit)	\$(1,504,830)	\$(2,836,627)	\$776,950

Compensation Recommendations Recap

- Compliant with HB 3 requirements
 - Allotted 57.7% of estimated revenue increase to salaries for teachers, counselors, nurses, librarians and non-administrative staff (30% required)
 - Prioritizes compensation for teachers, librarians, counselors, nurses, paraprofessionals, and auxiliary staff
 - Includes differentiation factor for teachers with 5+ years of experience
 - Less than 7% of total recommended raises go to administrative staff
- **District investment in compensation for the mandated employee groups is almost double the mandated amount**